



S00143889
SUPERFUND RECORDS

FILE

February 1, 1988

MEMORANDUM

SUBJECT: Investigation of Activities of SCI Equipment and
Technology Limited, Region VII

FROM: Paul E. Doherty
SINV/EP&R/ENSV

TO: Robert Morby
Chief, SPFD/WSTM

#140226

Sno:	Zephyr Transport
ID#:	LAD066216128
Break:	1.1
Other:	2-1-88

This memo summarizes the findings of our investigation into the Regional activities of SCI Equipment and Technology Limited, and its involvement with the following two companies operating in Region VII.

USCO Distribution Services, Inc.
4327 Gustine
St. Louis, Missouri 63116

Zephyr Transport Corporation
P.O. Box 1823
Waterloo, Iowa 50702

BACKGROUND

In a memo dated September 25, 1987, Mr. Christopher J. Daggett, Regional Administrator of Region II, alerted EPA HQ/OSWER, HQ/OECM, and other Regional offices of Region II's ongoing investigation of companies operated by brothers, Jack and Charles Colbert (attachment I). Region II's investigation had uncovered evidence which indicated there was a number of warehouses across the country which may contain hazardous wastes or pollutants abandoned by companies run by the Colberts. The memo included a list of 132 sites/businesses and recommended prompt inspection of the facilities by Regional personnel. Two Region VII companies were identified

USCO Distribution Services, Inc.
St. Louis, Missouri

Zephyr Transport Corporation
Waterloo, Iowa

PED:tlh:2/1/88

SINV EP&R ENSV

PEH 2/1/88
CPH 2/1/88
[Signature] 2/1/88

sent 2-5-88

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1. The first part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York. The names are listed in alphabetical order, and each name is followed by the name of the office to which he or she has been appointed. The list is as follows:

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7
25 FUNSTON ROAD
KANSAS CITY, KANSAS 66115

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The Emergency Planning and Response Branch (EP&R) was tasked to investigate these facilities to determine if they required further action by EPA.

USCO DISTRIBUTION SERVICES, ST. LOUIS, MISSOURI

The USCO Distribution Services facility in St. Louis is one of three USCO warehouses operating in the St. Louis area. USCO operates a nationwide, full-service distribution company which includes a chain of warehouse facilities. USCO Distribution Services is a subsidiary of Uniroyal, Inc. The St. Louis USCO facility's involvement with the Colberts' companies was established through a May 1985, storage bill discovered in business records confiscated by Region II.

On, or about, October 19, 1987, the USCO St. Louis office was contacted by EP&R for information relating to business dealings with any of the Colbert companies. Mrs. Betty Taylor, USCO employee, relayed the request to the company's corporate office in Naugatuk, Connecticut. On October 15, 1987, Mr. Ray Jarr contacted EPA and asked that EPA's request for information be submitted in writing to USCO's corporate office.

A written request for all relevant information pertaining to business activities with Colbert companies was sent to Mr. Jarr on October 22, 1987 (attachment II).

On December 10, 1987, USCO forwarded the requested information to EPA (attachment III). The documents showed that from March 3 through March 7, 1984, USCO received four mixed shipments of bottles, caps, sugar sprinkles, and pharmaceutical chemicals from the Rexall Drug Company, St. Louis, Missouri, consigned to SCI Equipment Company.

The shipments contained a total of 68 drums itemized as follows:

- 3 drums of bottle lids
- 43 drums of "Nonpareil:" confectionery sugar sprinkles
- 6 drums of cellulose gel: cosmetic ingredient
- 8 drums (small): no description
- 4 drums (large): no description
- 1 drum of benzyl alcohol: cosmetic ingredient
- 1 drum of "Arlacel:" tradename for cosmetic emulsifier
- 2 drums of titanium dioxide: white pigment for cosmetics

SCI Equipment and/or its associated company, the Mount Vernon Group, failed to pay the storage bill for this material, eventually prompting the May 1985, letter from USCO regarding the overdue storage bill.

In January 1986, the abandoned shipments were sold by USCO as distressed merchandise to Northwest Bottle Company, St. Louis, Missouri. The bills-of-lading for this transaction describe the material sold only as four trailer loads of "miscellaneous glass and plastic bottles." Mrs. Karen Schmitt, office manager for Northwest Bottle Company, reported to EPA that

the material received from USCO was later found to be unusable and the entire shipment including drums was eventually disposed of in a local landfill.

Based on the above findings, we recommend no further action at the USCO Distribution Services, Company, St. Louis warehouse facility. A preliminary assessment form is included as attachment IV.

ZEPHYR TRANSPORT CORPORATION, WATERLOO, IOWA

On, or about, October 14, 1987, EP&R contacted the Zephyr Transport Corporation to inquire about their involvement with the Colberts' companies. Specifically with regard to the October 1984, incident when Zephyr Transport wrote SCI Equipment Company and advised them that barrels shipped by SCI were leaking. This letter was discovered by Region II investigators in confiscated business records. (Attachment I)

Mr. Steve Zuzich, president of Zephyr Transport Corp., faintly remembered the incident but could not recall, with any certainty, the specific details. Mr. Zuzich stated he would check his business records but doubted he would have retained much information from that time period.

On October 22, 1987, this conversation was followed up with a written inquiry from EPA asking for all relevant information regarding business activities with Colbert companies (attachment V).

Zephyr Transport Corporation never responded to this inquiry and on December 8, 1987, EPA again contacted Mr. Zuzich. Mr. Zuzich reported he had checked his business records for the period and could find no information relating to business dealings with Colbert companies or the specific incident in question. Mr. Zuzich did state that, to the best recollection of company employees, the incident involved a shipment of an unknown number of chemical drums. The drums were allegedly shipped by SCI Equipment, picked up in New Jersey, and transported to Chicago. After inspecting the load, the consignee in Chicago (unknown), refused to accept the shipment, which resulted in Zephyr Transport temporarily storing the load in their trailer somewhere in Chicago. Later, SCI Equipment apparently refused to accept responsibility for return of the shipment. In October 1984, when the abandoned drums began to leak, Zephyr Transport wrote to SCI Equipment and requested action to pick up or dispose of the load, apparently without success.

It was Mr. Zuzich's recollection that a local health or environmental agency was eventually called in to dispose of the leaking drums. Mr. Zuzich stated he had no further knowledge of the drums or of any of the Colbert companies. Mr. Zuzich stated that Zephyr Transport Corporation never transported or stored any shipment from Colbert companies within Region VII.

The EPA Region V Chicago office was contacted regarding the alleged incident of abandoned drums. However, without more specific information regarding the location and date of response, they could not determine whether EPA was involved in such an incident.

Additional information was requested from Region II's Site Compliance Section (Sherrell Henry) and Office of Regional Counsel (Lynn Wright). Specifically EP&R asked for a copy of the confiscated letter from Zephyr Transport regarding the leaking drums. It was hoped the letter contained more detailed information on the location, shipment content, and consignee. Region II reported that no further information, other than what was transmitted with the September 25, 1987, memo, was available.

In summary, the available information indicates that the Zephyr Transport incident involved a shipment of unknown drums brought from New Jersey to Chicago, rejected by the consignee and the shipper (SCI Equipment), and eventually responded to by local health officials when the drums began to leak. In view of the fact that neither Region II nor Region V has additional information to support or refute this account and that none of these activities apparently occurred within Region VII's jurisdiction, it is recommended that no further action be taken on this incident. A preliminary assessment form is included as attachment VI.

